

AGENDA  
**ADMINISTRATIVE RULE MEETING**  
**UTAH STATE TAX COMMISSION**

Thursday, September 17, 2009 • 8:00 a.m.  
Commission Hearing Room 1025 • 210 North 1950 West  
Salt Lake City Utah

1 Commission Business

- 1.1 Call to Order
- 1.2 Approval of Minutes for March 26, 2009

2 Rule Items

There will be public comment and discussion prior to Commission action.

2.2 Proposed rule amendments

- A R861-1A-44 Definition of Delivery Service Pursuant to Utah Code Ann. Section 59-1-1404.

*The proposed rule indicates the entities that meet the IRS definition of “delivery service”.*

- B R865-9I-13 Non-Resident’s Share of Partnership or Limited Liability Company Income Pursuant to Utah Code Ann. Sections 59-10-116, 59-10-117, 59-10-118, and 59-10-1405.

*The amended rule indicates how a pass-through entity that is not an S corporation will determine the tax to withhold on its nonresident pass-through entity taxpayers.*

- C R865-9I-56 Determination of Amounts withheld by a Pass-Through Entity that is an S Corporation Pursuant to Utah Code Ann. Section 59-10-116, 59-10-117, 59-10-118, 59-10-1403.2, and 59-10-1405.

*The proposed rule takes the language of Section R865-6F-35, which is deleted, and brings it into the individual income tax rule, Rule R865-9I, since an S Corp is now treated as a pass-through entity under the individual income tax chapter of Title 59.*

- D R865-9I-55 Qualified Subchapter S Subsidiaries Pursuant to Utah Code Ann. Section 59-10-1403.

*The Proposed rule takes the language of R865-6F-34, which is removed, and brings it into the individual income tax rule, Rule R865-9I, since an S*

*Corp is now treated as a pass-through entity under the individual income tax chapter of Title 59.*

- E R865-12L-17 Procedures for the Administration of the Tourism, Recreation, Cultural and Convention Facilities Tax Pursuant to Utah Code Ann. Sections 59-12-602 and 59-12-603.

*The proposed amendment clarifies that tourism, recreation, cultural, and convention facilities tax is imposed on alcoholic beverages, food and food ingredients, and prepared food.*

- F R865-19S-58 Materials and Supplies Sold to Owners, Contractors and Repairmen of Real Property Pursuant to Utah Code Ann. Sections 59-12-102 and 59-12-103.

*The proposed amendment deletes language that treats built-in appliances as real property.*

- G R877-23V-8 Signs and Identification Pursuant to Utah Code Ann. Section 41-3-105.

*The proposed amendment adds “distributor” to the list of licensees required to post a sign at the licensee’s principal place of business.*

- H R877-23V-12 Documents Required Prior to Issue of a License Pursuant to Utah Code Ann. Section 41-3-105.

*The proposed amendment updates the documents a distributor must provide to receive a motor vehicle distributor license in Utah.*

- I R884-24P-33 ~~2009~~ (2010) Personal Property Valuation Guides and Schedules Pursuant to Utah Code Ann. Section 59-2-301.

*The valuation guides and schedules contained in this rule are reviewed and updated annually by the Property Tax Division. The personal property guides and schedules are used for local property tax valuation and assessment of business personal property and certain motor vehicles.*

- J R865-4D-2 Refund Procedures for Special Fuel Used Off-Highway or to Operate a Power Take-Off Unit, and Sales Tax Liability pursuant to Utah Code Ann. Sections 59-13-301 and 59-13-304.

*The proposed amendment provides that if an off-highway does not have an address, a description of that location will suffice; also the amount of time of the off-highway use is necessary only if the claimed use is idling of the vehicle, all other uses may be evidenced by the date of the off-highway use.*

## 2.3 Rules proposed to be repealed due to rule amendments

- A R861-1A-41 Date of Assessment Pursuant to Utah Code Ann. Sections 59-1-302.1 and 59-1-706.

This section is removed since it is no longer necessary.

- B R865-25X-1 Brine Shrimp Royalty Procedures Pursuant to Utah Code Ann. Section 59-23-4.

*Rule is repealed.*

- C R865-6F-34 Qualified Subchapter S Subsidiaries Pursuant to Utah Code Ann. Section 59-7-01.

*Rule is repealed from corporate tax rules and moved to individual income tax rules.*

- D R865-6F-35 S Corp Determination of Tax Pursuant to Utah Code Ann. Section 59-7-703.

*Rule is repealed from corporate tax rules and moved to individual income tax rules.*

- E R865-19S-107 Reporting of Exempt Sales or Purchases Pursuant to Utah Code Ann. Section 59-12-105.

*Rule is repealed since underlying statutory language has been repealed.*

## 2.4 Other Items / Adjourn

Although the formal public comment period published through the Division of Administrative Rules has concluded for the rules posted on this agenda, the Commission will accept comments on these rules at the meeting and prior to the meeting in writing. Comments can be addressed to Commissioner Dixon and emailed to [taxrules@utah.gov](mailto:taxrules@utah.gov), faxed to 801-297-3919, or mailed to The Office of the Commission, Utah State Tax Commission, 210 N. 1950 W., Salt Lake City, Utah 84134. For questions, please call Cheryl Lee at 297-3900. Full text of rules can be found at [www.tax.utah.gov](http://www.tax.utah.gov). If you would like to receive notice of future rule items, email [clee@utah.gov](mailto:clee@utah.gov) with your name, email address and request to be added to the Tax Commission rules list server.

Tax Commissioners may participate in the meeting via telephonic communications per Rule R861-1A-43 – Electronic Meetings Pursuant to Utah Code Ann. Section 52-4-207. If a Commissioner does participate via telephonic communication, the Commissioner will be on speakerphone. The speakerphone will be amplified so that the other Commissioners and all other persons present in the Commission Chambers will be able to hear all the discussions.

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Posted: 09/08/2009

Cheryl Lee – Executive Secretary

**(801) 297-3900**